

GREATER POINT THOMSON UNIT

DENIAL OF THE APPLICATION TO FORM THE GREATER POINT THOMSON UNIT

Findings and Decision of the Director
of the Division of Oil and Gas
Under a Delegation of Authority
from the Commissioner of the State of Alaska
Department of Natural Resources

MARCH 28, 2023

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I. INTRODUCTION AND DECISION SUMMARY

The State of Alaska (State) Department of Natural Resources, Division of Oil and Gas (Division) received the Application for the formation of the Greater Point Thomson Unit (GPTU)(Application), on November 12, 2022 from the proposed GPTU Operator, Donkel Oil and Gas, LLC (Applicant). The proposed GPTU covers approximately 58,790 acres. Attachments 1 and 2 set out the proposed Exhibits A and B.

The Division finds that the approval of the Application is not necessary or advisable to protect the public interest considering the provisions of AS 38.05.180(p) and 11 AAC 83.303. The Application is denied.

II. APPLICATION AND LEASE SUMMARY

The Applicant submitted the Application on November 12, 2022, and simultaneously paid the \$10,000 unit formation application filing fee, in accordance with 11 AAC 83.306 and 11 AAC 05.110(d)(3)(D),(E), respectively. The Application included: the unit operating agreement, the State only unit agreement form, Exhibit A (Attachment 1), legally describing the proposed unit area, its leases, and ownership interests; Exhibit B (Attachment 2), a map of the proposed unit; and Exhibit G, Plan of Exploration, for the GPTU. The Applicant submitted evidence of notice to proper parties. The Application also included confidential technical data and interpretations, and a non-confidential presentation claiming the application was in the State's best interest. The Division recommended the Applicant to partake in a pre-application meeting so as to receive Division comment and suggestion; the Applicant, however, declined.

The Division notified The Applicant by email that the Application was incomplete. The initial Application failed to include the following items required under 11 AAC 83.306: (1) the unit operating agreement executed by all the working interest owners (WIOs); (2) all pertinent geological, geophysical, engineering and well data, and interpretation of all the preceding data directly supporting the application. After further submittals and discussion, the Division deemed the Application complete on December 21, 2022. The Applicant provided a technical presentation to the Division on December 1, 2022.

The Division published a public notice in the *Anchorage Daily News* and in the *Arctic Sounder* on December 29, 2022, under 11 AAC 83.311. Copies of the Application and the public notice were provided to interested parties. DNR provided public notice to the North Slope Borough, the City of Utqiagvik, the City of Nuiqsut, the Kuukpik Corporation, the Arctic Slope Regional Corporation (ASRC), the Nuiqsut Postmaster, the Utqiagvik Postmaster, the radio station KBRW in Utqiagvik, as well as the Alaska Department of Environmental Conservation, the Alaska Department of Fish and Game, the Alaska Oil and Gas Conservation Commissioner, and the ADF&G Division of Habitat. The public notices invited interested parties and members of the public to submit comments by January 28, 2023.

The Division received twenty-three comments supporting the Application. The Division considered those comments in the evaluation of the Application and the issuance of this decision. Indeed, a vast majority of those comments contained, in part, the following identical language:

Approval of the unit as proposed is clearly in the best interest of the State. The unit area, the plan of exploration and the unit agreement should be approved as submitted. The application meets the criteria in AS 38.05.180(p) and 11 AAC 83.303 and 11 AAC 83.336. Approval of the unit application as submitted will provide the opportunity to attract new investment capital to the eastern North Slope and Beaufort Sea areas. And it could lead to much-needed new oil and gas development in the areas. The formation of the Greater Point Thomson Unit can lead to much-needed new oil and gas development

and production in the interest of developing, conserving, and enhancing Alaska's natural resources for present and future Alaskans.

None of the supporting comments received, however, describe how approval of the application would promote conservation of natural resources, prevent waste, or provide for the protection of all parties. Notwithstanding the confidence expressed in the comments, opportunity to invest, or bring new capital to the eastern North Slope and Beaufort Sea lease area is not changed by unitization. And, although the benefits of development are undisputed, the Application provides no commitment to explore, or develop the area; exploration, or development therefore would be no different if conducted on a lease-by-lease basis. United States Fish and Wildlife Service further commented on surface impacts of potential development in the area¹, and the disputed ownership of the proposed Unit area along the Staines River on the border of the Arctic National Wildlife Refuge.²

The proposed unit is fully described in Attachments 1 and 2. The Application includes State of Alaska lands under lease by the Applicant and others, unleased State of Alaska lands, and State of Alaska lands also claimed by the United States Federal Government to be part of the Arctic National Wildlife Refuge.

The Application nevertheless proposes to unitize unleased State lands, which were available in the most recent North Slope Area Wide lease sale and received no bids. The proposed Unit further contains a tract leased by Andrew Bachner and Keith Forsgren identified on Exhibit B as Tract 75 (BF), ADL 393574. This leased tract, however, is not identified in Exhibit A, and no evidence has been provided that the lessees of ADL 393574 (Mssrs. Bachner and Forsgren) have ratified either the proposed GPTU Agreement or GPTU Operating Agreement.

DISCUSSION OF DECISION CRITERIA

A unit may be formed to conserve the natural resources of all or a part of an oil or gas pool, field, or like area when determined and certified to be necessary or advisable in the public interest. AS 38.05.180(p). Conservation of the natural resources of all or part of an oil or gas pool, field or like area means "maximizing the efficient recovery of oil and gas and minimizing the adverse impacts on the surface and other resources." 11 AAC 83.395(1).

The DNR Commissioner (Commissioner) reviews applications related to units under 11 AAC 83.303 - 11 AAC 83.395. By memorandum dated June 30, 2016 the Commissioner approved a revision of Department Order 003 and delegated this authority to the Division Director.

The Commissioner will approve a proposed unit upon a finding that it will (1) promote conservation of all natural resources, including all or part of an oil or gas pool, field, or like area; (2) promote the prevention of economic and physical waste; and (3) provide for the protection of all parties of interest including the State. 11 AAC 83.303(a).

In evaluating these three criteria, the Commissioner will consider (1) the environmental costs and benefits of unitized exploration or development; (2) the geological and engineering characteristics of the potential hydrocarbon accumulation or reservoir proposed for unitization; (3) prior exploration activities in the proposed unit area; (4) the applicant's plans for exploration or development of the unit area; (5) the

¹ Unit decisions are administrative actions and do not approve surface operations. Approval of a plan of operations is required before surface activities may be conducted.

² These disputed lands are contained within ADL 392121 and ADL 392122.

economic costs and benefits to the State; and (6) any other relevant factors, including measures to mitigate impacts identified above, the commissioner determines necessary or advisable to protect the public interest. 11 AAC 83.303(b).

A discussion of the subsection (b) criteria, as they apply to the Application, is set out directly below, followed by a discussion of the subsection (a) criteria.

A. Decision Criteria considered under 11 AAC 83.303(b)

1. Environmental Costs and Benefits

The proposed area is habitat for various mammals, waterfowl, and fish. Area residents may use this area for subsistence hunting and fishing. Oil and gas activity in the proposed unit area may affect some wildlife habitat and some subsistence activity. DNR develops lease stipulations through the lease sale process to mitigate the potential environmental impacts from oil and gas activity.

DNR also considers environmental issues during the lease sale process, and the unit Plan of Operations approval process. Alaska statutes require DNR to give public notice and issue a written finding before disposal of the State's oil and gas resources. AS 38.05.035(e); AS 38.05.945; 11 AAC 82.415. In the written best interest finding, the Commissioner may impose additional conditions or limitations beyond those imposed by law. AS 38.05.035(e). The GPTU leases are subject to extensive mitigation measures addressing issues such as siting facilities, impacts to fish and wildlife, risk from hazardous substances, fuel, and waste.

The activity proposed in the POE here would not be conducted any differently as a unit than as would be with individual leases. As a result, there is no environmental benefit to be gained by unitization.

2. Geological and Engineering Characteristics and Prior Exploration Activities

Two wells have been drilled on the leases included in this application.

Sohio drilled the Alaska Island #1 well in 1981 and 1982, along with a plug back. The well was logged, cored, and a flow test was attempted from the Cretaceous Thomson interval as well as perforations below the Thomson in a carbonate interval. On May 13, 1982 during a 14-hour flow test period where valid condensate measurements were taken, the well flowed gas rates between 1.8-2.8 MMCFD as well as 107.4 bbls of total condensate, although it is unclear whether both sections contributed to the flow of hydrocarbons. Low quality shows are recorded in the mud log for the Thomson section and below.

Sohio also drilled the Challenge Island #1 well just south of the acreage in this application and three miles west of the Alaska Island #1 well in 1980, and 1981. The well, drilled to evaluate the Thomson sand interval, was cored but the well encountered fluid losses during drilling, and had to be plugged and abandoned prior to fully logging, or testing the interval.

ARCO Alaska, Inc., drilled the Stinson #1 on State Oil and Gas lease ADL 371024 in the winter of 1989 to a total depth of 16,156 feet. The primary objective was a deep-water Paleocene stratigraphic play typified on seismic data by a thickened section displaying bi-directional downlap. Lower Cretaceous clastics of the Pt. Thomson interval were considered a secondary target. Both objectives proved unsuccessful from a reservoir perspective. The Paleocene section was silt/shale prone and the Lower Cretaceous interval was absent due to non-deposition.

The well did encounter a significant zone of hydrocarbon shows and flow that commenced in the Eocene at 12,500 feet and appeared to continue to TD in the Proterozoic basement. Test #1, which was an open

hole test, 14,863-15,194 feet, achieved an average flow of 506 BOPD, 9.2 MMCFGD and 532 BWD from a section that included the pre-Tertiary unconformity and the immediately underlying Proterozoic quartzite. This was a 10.5 hour open hole test that ended when the tool failed. Additional drill stem tests behind casing (#2 - #4) were subsequently conducted in both the Proterozoic quartzite and deeper metadolomites but in all cases either failed or no significant flow was detected. Perforated interval in the succeeding test probably penetrated dense, well-lithified basement rocks, and hence resulted in little fluid flow. Core data indicated the Proterozoic quartzites have an average porosity of 2%, and permeability of 0.1 md. Similarly, the metadolomites have an average porosity of 2% and permeability of 0.2 md. In all, 5 cores were recovered from the well; one from the basal portion of the lower Eocene sandstones (core #1, 12,716 to 12,732.9 feet), one from the basal Paleocene section (core #2, 14,890 to 14,945 feet) and three from the Proterozoic basement (core #3, 14,945 to 14,946 feet; core #4 14,946 to 14,954 feet; core #5, 16,092 to 16,106 feet).

Drill stem test #5-#7 were conducted in the Tertiary section. Test #5 (14,150 to 14,350 feet) was conducted in thinly laminated, very fine-grained sandstone, siltstone, and shale of the Paleocene; no significant flow was detected. Test #6 (12,590 - 12,610 feet; 12,680 - 12,720 feet) was conducted in Eocene marine sandstone, and also showed no significant flow. Due to severe hole wash outs, the test should be considered a failed test. Conventional core (core #1) from this interval had porosities ranging from 11-15%, average permeability of 1.7 md., and calculated water saturations of 20% to 35%. The core data were obtained from thin-bedded, fine-grained sandstones at the base of a thickening and coarsening upward section. If properly tested, the interval would probably flow oil. Test #7 (12,142 - 12,332 feet) was attempted through two casing strings in Eocene sandstone and conglomerate above the geopressure zone beginning at 12,500 feet; no significant flow was detected. After completing the test program, ARCO plugged and abandoned the well on August 20, 1990.

On February 28, 1997, the Stinson #1 well was certified as being capable of producing hydrocarbons in paying quantities from the Proterozoic quartzite. Well data in the Application area that inform seismic interpretations are limited, and primary emphasis was placed on the this well. The well data was held confidential until April 2008 when ConocoPhillips relinquished the oil and gas lease to the State of Alaska. The well is no longer certified as being capable of producing hydrocarbons in paying quantities.

Seismic data used in the Application is insufficient to map closures of the prospects proposed in the Application. A dense coverage of 2D seismic data is available over the proposed unit area, a sub-set of which was used in the Applicant's evaluation. 3D seismic data that covers the central and much of the western areas of the Application area exists but was not used during the applicant's evaluation. These data may greatly help in defining the proposed western and central prospects and may help define the western boundaries of their eastern prospects, providing better support for the Application.

The 2D seismic data set extends well beyond the unit application area, and therefore can provide a regional context. At the scale of the proposed prospects, 2D coverage is sparse and unable to confidently map four-way closures, and in some cases maps only a single line completely covering a prospect. Mapping of faults that define closures is not possible with these data at prospect scale.

Though a thorough description of the Applicant's interpretations must be held confidential, general observations can be made about the Applicant's interpretation. No advanced interpretation methods (*e.g.*, amplitude versus offset) were used, and in no case was there an obvious feature in the 2D data to show why the various boundaries – including high, mid, and low cases – were placed where they were. For example, the erosional truncation of one of the Applicant's eastern area prospects that delineates the southern boundary of the prospect is indiscernible, with the seismic data at that location and interval showing laterally continuous amplitudes across where the truncation is mapped.

The Applicant provided both confidential and public information supporting the Application, including structure and isochore grids, seismic lines, and a geologic report. Interpretations of much of this data is incomplete and insufficient to demonstrate several of the applicant's identified potential hydrocarbon accumulations, as defined in 11 AAC 83.395 (5) and (6), exist in the lands leased by the Applicant. Multiple prospects and leads were described but those prospects have not been reasonably defined and delineated as described in 11 AAC 83.395 (5). The lands immediately surrounding the Stinson #1 well do contain a reservoir but are not leased by the Applicant and the lessee has not committed to the GPTU Agreement.

Further, the reservoir identified in the Stinson #1 has been neither reasonably defined, delineated nor shown to extend into the lands leased by the Applicant. Similarly, reservoirs adjacent to the GPTU area have not been reasonably defined, delineated, and shown to extend into GPTU. It is unclear which interval tested in Alaska Island 1 is responsible for the hydrocarbons recorded in the well test. The applicant did not supply an explanation for their interpretation of the well test, and the corresponding plays are insufficiently delineated. Much of the work described in the initial Plan of Exploration (POE), had it been conducted prior to an application for unitization, which is standard practice, may have better defined and delineated the potential hydrocarbon accumulations and reservoirs.

3. Plans of Exploration

The Applicant submitted a proposed five-year initial POE as part of the Application. In the POE, the Applicant proposes to;

In the first year,

1. Conduct studies to address additional studies;
2. Engage partners and negotiate commercial arrangements;
3. Identify a new Unit Operator;
4. Scope possible drilling options; and
5. Understand needs for additional gas supplies in major North Slope projects.

In the second year,

1. Initiate exploration phase project scoping;
2. Update GPTU exploration schedule;
3. Work with drilling contractors to finalize drilling rig options;
4. Understand gas project needs;
5. Drilling planning if funding allows;
6. Economic analysis of options;
7. Reservoir Modeling; and
8. Conduct seismic survey if funding allows.

In the third year,

1. Drilling planning; and
2. Drill a well.

In the fourth year,

1. Drilling planning; and
2. Drill a second well.

In the fifth year,

1. Evaluate the results of drilled wells.

Unitizing the leases is not necessary to conduct any of the activities proposed in the POE. Nor would the activities proposed in the POE be conducted any differently as a unit than as individual leases. A unit is not required to conduct the activities described in the first and second year of the proposed POE.

The proposed initial POE plans in either the third or fourth year to drill a well in either ADL 392121 or ADL 392122, the ownership of both which is disputed. Each of these leases nevertheless has a primary term expiring November 30, 2024, thereby allowing the applicant time to drill a well without the need for unitization.

Although activities described in the first two years of the proposed POE are essential to drilling a well in the third year, these activities are contingent on finding another operator, funding, and the result of reservoir studies. Drilling the wells in the third and fourth years therefore is contingent on the activities planned for the first two years of the POE, which in turn is contingent on finding a new operator and funding; thus, the plan(s) to drill a well appears to be a tenuous commitment.

In sum, the Applicant has been the lessee of the majority of the leases proposed for the GPTU for the past ten years, and the two disputed leases proposed for drilling for eight years. This period was ample time within which to conduct these proposed POE activities.

4. The Economic Costs and Benefits to the State and Other Relevant Factors

The POE does not propose activity that would result in greater economic benefit to the State if the leases were unitized than if the activities were conducted on a lease-by-lease basis. In other words, the activities proposed by the Applicant do not result in production more quickly than if the same activities (seismic and drilling) were conducted on a lease-by-lease basis. Accordingly, unitization in this case offers no benefit to the State. Unitization of the leases would, however, result in an economic cost to the State. Twelve leases would have expired on December 31, 2022 but for this Application. If these leases are extended by unitization rather than offered for sale at the next areawide lease sale, the State would not receive bonus bids from a sale.

B. Decision Criteria considered under 11 AAC 83.303(a)

1. Promote the Conservation of All Natural Resources

A unit may be formed under AS 38.05.180(p) “[t]o conserve the natural resources of all or a part of an oil or gas pool, field, or like area.” Conservation of the natural resources of all or part of an oil or gas pool, field or like area means “maximizing the efficient recovery of oil and gas and minimizing the adverse impacts on the surface and other resources.” 11 AAC 83.395(9). The unitization of oil and gas reservoirs or accumulations and the formation and expansion of unit areas to develop hydrocarbon-bearing reservoirs or accumulations are well-accepted means of hydrocarbon conservation. Unitization, with development occurring under the terms of a unit agreement, can promote efficient evaluation and development of the State’s resources, and minimize impacts to the area’s cultural, biological, and environmental resources.

The proposed GPTU, however, does not promote conservation of natural resources in any way more than would development of the individual leases. None of the activities proposed by the Applicant require unitization to efficiently recover oil and gas, or minimize adverse impacts.

Nor would unitization promote the conservation of other natural resources. Because the proposed activities will not differ either if performed in a unit or on individual leases, the risks and benefits to the environment are the same.

2. The Prevention of Economic and Physical Waste

Unitization, as opposed to activity on a lease-by-lease basis, may prevent economic and physical waste. Economic waste is often referred to as the drilling of wells in excess of the number necessary for the efficient recovery or delineation of the oil and gas in place. Physical waste, among other things, includes the inefficient, excessive, or improper use of, or unnecessary dissipation of, reservoir energy.

Here, unitization would not prevent waste any more than conducting these activities on a lease-by-lease basis. The POE proposes to conduct an exploratory geophysical program and drill a well in the third and fourth year. Because only two wells are proposed for all these leases, the POE presents no threat of excessive drilling making it necessary to unitize the leases to avoid economic waste. Because the use or dissipation of reservoir energy will not differ whether these proposed activities are carried out on individual leases or a unit, there is no threat of physical waste favoring unitization.

Unitization also may prevent economic and physical waste by eliminating redundant expenditures for a given level of production, or by avoiding loss of ultimate recovery with the adoption of a unified reservoir management plan. And yet, the POE does not propose any activity that could not be conducted any differently on a lease-by-lease basis as opposed to unitization. The Application thus does not present a potential for reduction of costs and environmental impacts through unitized operations that will expedite development of any reserves, or promote greater ultimate recovery of any oil and gas from the proposed unit area.

For these reasons, the proposed GPTU would not prevent economic or physical waste.

3. The Protection of All Parties of Interest, Including the State

The Applicant would benefit from unitization of these leases including extension of the leases beyond their primary terms. Unitization would not, however, offer equal benefit or protections to either the State of Alaska or its people.

The people of Alaska have an interest in both the conservation of natural resources for human use and development of the State's oil and gas resources to maximize the economic and physical recovery of the resources. AS 38.05.180(a). It is further in the State's best interest to encourage assessment of oil and gas resources, recognize the costs of exploring in varied geographic regions, and minimize the adverse impact of exploration, development, production, and transportation activity. AS 38.05.180(a)(2).

Often, unitization increases the likelihood that exploration and development will occur earlier than without unitization as various leaseholders can collaborate on the joint exploration and development of the unit area as if it was a single lease. In that respect, unitization can further the State and its people's economic interests. However, other than to provide the Applicant an extension to twelve of the lease's primary terms, the GPTU POE does not show that unitization will encourage earlier exploration drilling activities upon the subject leases than if these activities were conducted on a lease-by-lease basis.

Unitization would provide benefit to the Applicant, however, in the extension of primary term of twelve of the leases proposed for unitization. If these leases are extended by unitization rather than offered for sale at the next areawide lease sale, then the State would not receive bonus bids from a sale.

Conversely, if the leases were to expire and be re-leased, it may enhance competition amongst parties seeking to develop and produce oil and gas resources, which serves the State's and its people's interest in maximizing use of the State's natural resources.

The Application further proposes including unleased State of Alaska lands. 11 AAC 83.301(a) provides that:

11 AAC 83.301 - 11 AAC 83.395 establish standards and procedures governing the submission of applications to the commissioner and criteria for approval of unit agreements *for State oil and gas leases*, and standards to be followed by a State lessee in conducting lease operations under an oil and gas unit agreement approved by the commissioner." 11 AAC 83.301 States the purpose of the unitization regulations giving DNR authority to form units. The regulation applies only to agreements "for State oil and gas leases," and does not mention unleased State lands.

Under 11 AAC 83.303(a) "[t]he Commissioner will approve a proposed unit agreement for *State oil and gas leases*..." (Italics added). The regulation does not provide authority for the Department to unitize unleased land.

AS 38.05.180(p), the statutory provision supporting 11 AAC 83.303, refers to lessees and leases only, and also does not provide the Department with authority to unitize unleased land. This statutory provision of the Alaska Statehood Act only allows the State to *lease* minerals, including oil and gas, or risk forfeiting them to the federal government.³ Thus, including unleased land in the unit would not protect the State's interests.

Finally, ADL 393574 is proposed for unitization but the working interest owner has ratified neither the GPTU Agreement nor the GPTU Operating Agreement. No plans for drilling have been proposed on, or adjacent to this lease. The Application also makes no claim inclusion of this lease is crucial to exploration, or development of the GPTU area. Because no plans for development have been proposed, no waste of natural resources can occur. Therefore, compelling the working interest owners of ADL 393574 to join the GPTU and give up the right of exclusive exploration and development does not provide for the protection of all parties.

In sum, the plan to drill a well in the third year of the proposed POE, as described previously, appears to be a tenuous commitment, and therefore does not protect the State's interests.

III. FINDINGS AND DECISION

A. The Conservation of All Natural Resources

State regulations define "conservation" for purposes of oil and gas leasing as "maximizing the efficient recovery of oil and gas and minimizing the adverse impacts on the surface and other resources." 11 AAC 83.395(9). For the reasons discussed above, the proposed GPTU POE does not propose any activity that would maximize efficient recovery upon unitization any more than when compared to activity conducted

³ "Mineral deposits in such lands shall be subject to lease by the State as the State legislature may direct: Provided, That any lands or minerals hereafter disposed of contrary to the provisions of this section shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States District Court for the District of Alaska." ALASKA STATEHOOD ACT § 6(i).

on a lease-by-lease basis. Therefore, unitization does not promote the conservation of all natural resources.

B. The Prevention of Economic and Physical Waste

The GPTU POE proposes to conduct seismic study and drill two wells in the third and fourth year after unit formation. Here too, the proposed activity would not be conducted any differently under unitization than if conducted on a lease-by-lease basis. Thus, for this and other reasons discussed above, unitization would not prevent economic or physical waste.

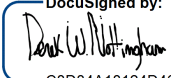
C. The Protection of All Parties in Interest, Including the State

1. The legislature intended that oil and gas leases maximize production, competition amongst producers, and local employment. AS 38.05.180(a). Should the leases proposed for inclusion in the GPTU expire, neither being in production nor held by unitization, the area could be re-offered at lease sale by competitive bid, thereby enhancing competition amongst parties seeking to develop and produce oil and gas resources. Allowing the Applicant to unitize and hold State leases is contrary to the public interest. To provide for unitization in this case would be contrary to the State's interest in promoting diligent exploration by its lessees.
2. The only interest protected by granting unitization, is the lessees' interest in extending the lease terms to conduct exploration activities that could otherwise be conducted on a lease-by-lease basis. Providing for this interest alone would not protect the State's and its people's interests sufficiently to justify unitization.

For the reasons discussed in this Findings and Decision, I hereby deny the Application.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions regarding this decision, contact Kevin Pike with the Division at 907-269-8451, or by email at kevin.pike@Alaska.gov.

DocuSigned by:

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3/28/2023

Derek Nottingham
Director
Division of Oil and Gas

Date

cc: Department of Law

IV. Attachments

1. Greater Point Thomson Unit Proposed Exhibit A: Description of Lands within the Proposed Unit
2. Greater Point Thomson Unit Proposed Exhibit B: Map of Proposed Unit Area
3. Greater Point Thomson Unit Exhibit G, Proposed Plan of Exploration

1. Greater Point Thomson Unit *Proposed* Exhibit A

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
73	392115	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	2,576.03	<p>Tract 73</p> <p>T. 009N., R. 026E., Umiat Meridian, Alaska.</p> <p>Section 19, Protracted, All, 633.00 acres;</p> <p>Section 20, Protracted, All, 640.00 acres;</p> <p>Section 29, Protracted, All, 640.00 acres;</p> <p>Section 30, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 541.80 acres;</p> <p>Section 31, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 12.59 acres;</p> <p>Section 32, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 108.64 acres;</p> <p>This Tract (73) contains 2,576.03 acres, more or less.</p>
74	392116	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	2,963.43	<p>Tract 74</p> <p>T. 009N., R. 026E., Umiat Meridian, Alaska.</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 5, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 46.98 acres;</p> <p>Section 6, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No.84 Original, 505.68 acres;</p> <p>Section 7, Protracted, All, 628.00 acres;</p> <p>Section 8, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No.84 Original, 511.77 acres;</p> <p>Section 17, Protracted, All, 640.00 acres;</p> <p>Section 18, Protracted, All, 631.00 acres;</p> <p>This Tract (74) contains 2,963.43 acres, more or less.</p>
75 D/C	392117	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	3.00%	12.50%	84.50%	1,950.22	<p>Tract 75 donkel cade T. 009N., R. 025E., Umiat Meridian, Alaska. Section 13, Protracted, All, 640.00 acres;</p> <p>Section 14, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 562.05 acres;</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									Section 23, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 82.50 acres;
									Section 24, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 571.08 acres;
									Section 25, Unsurveyed, All tide and submerged lands seaward of the Arctic National Wildlife Refuge (PLO 2214), 94.59 acres;
									This Tract (75) contains 1,950.22 acres, more or less.
				Cade 75% / Donkel					
76	392118	1/1/2013	12/31/2022	25%	3.00%	12.50%	84.50%	1,519.21	Tract 76 T. 010N., R. 025E., Umiat Meridian, Alaska.
									Section 25, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 7.34 acres;
									Section 26, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 356.05 acres;
									Section 35, Protracted, All, 640.00 acres;

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 36, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 477.01 acres; T. 010N., R. 026E., Umiat Meridian, Alaska.</p> <p>Section 31, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 38.81 acres;</p> <p>This Tract (76) contains 1,519.21 acres, more or less.</p>
				Cade 75% / Donkel					
77	392119	1/1/2013	12/31/2022	25%	0.00%	12.50%	87.50%	5,395.77	<p>Tract 77</p> <p>T. 009N., R. 025E., Umiat Meridian, Alaska.</p> <p>Section 3, Protracted, All, 640.00 acres;</p> <p>Section 4, Protracted, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 633.64 acres;</p> <p>Section 9, Protracted, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 166.78 acres;</p> <p>Section 10, Protracted, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 600.01 acres;</p> <p>Section 15, Protracted, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 86.86 acres;</p> <p>T. 010N., R. 025E., Umiat Meridian, Alaska.</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									Section 16, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 1.82 acres;
									Section 21, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 530.29 acres;
									Section 22, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 177.77 acres;
									Section 27, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 638.60 acres;
									Section 28, Protracted, All, 640.00 acres;
									Section 33, Protracted, All, 640.00 acres;
									Section 34, Protracted, All, 640.00 acres;
									This Tract (77) contains 5,395.77 acres, more or less.
78	392120	1/1/2013	12/31/2022	Cade 75% / Donke 25%	3.00%	12.50%	84.50%	4,900.70	Tract 78 T. 009N., R. 025E., Umiat Meridian, Alaska.

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 5, Unsurveyed, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 367.02 acres;</p> <p>Section 6, Unsurveyed, All tide and submerged lands excluding the Arctic National Wildlife Refuge (PLO 2214), 97.42 acres;</p> <p>T. 010N., R. 025E., Umiat Meridian, Alaska.</p> <p>Section 7, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 8.44 acres;</p> <p>Section 17, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 141.02 acres;</p> <p>Section 18, Protracted, All tide and submerged lands shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 506.80 acres;</p> <p>Section 19, Protracted, All, 617.00 acres;</p> <p>Section 20, Protracted, All, 640.00 acres;</p> <p>Section 29, Protracted, All, 640.00 acres;</p> <p>Section 30, Protracted, All, 620.00 acres;</p> <p>Section 31, Protracted, All, 623.00 acres;</p> <p>Section 32, Protracted, All, 640.00 acres;</p> <p>This Tract {78} contains 4,900.70 acres, more or less.</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
79	392121	12/1/2014	11/30/2024	Cade 75% / Donkel 25%	3.00%	12.50%	84.50%	3,016.20	<p>Tract 79</p> <p>T. 009N., R. 024E., Umiat Meridian, Alaska.</p> <p>Section 1, Protracted, All tide and submerged lands excluding State of Alaska Oil and Gas Lease ADL 390310, 624.20 acres;</p> <p>Section 11, Unsurveyed, All tide and submerged lands, 603.00 acres;</p> <p>Section 12, Unsurveyed, All tide and submerged lands, 563.00 acres;</p> <p>Section 13, Unsurveyed, All tide and submerged lands, excluding PLO 2214, 404.00 acres;</p> <p>Section 14, Unsurveyed, All tide and submerged lands, 109.00 acres;</p> <p>Section 23, Unsurveyed, All tide and submerged lands, 20.00 acres;</p> <p>Section 24, Unsurveyed, All tide and submerged lands, excluding PLO 2214, 106.00 acres;</p> <p>T. 009N., R. 025E., Umiat Meridian, Alaska.</p> <p>Section 7, Unsurveyed, All tide and submerged lands excluding PLO 2214, 486.00 acres;</p> <p>Section 18, Unsurveyed, All tide and submerged lands PLO 2214, 101.00 acres;</p> <p>This Tract (79) contains 3,016.20 acres, more or less.</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
80	392122	12/1/2014	11/30/2024	Cade 75% / Donkel 25%	3.00%	12.50%	84.50%	160	Tract 80 T. 009N., R. 024E., Umiat Meridian, Alaska. Section 10, Protracted, All tide and submerged lands within the SE 1/4, 160.00 acres; This Tract (80) contains 160.00 acres, more or less.
85	392123	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	1,625.06	Tract 85 T. 010N., R. 024E., Umiat Meridian, Alaska. Section 3, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 106.05 acres; Section 4, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 239.01 acres; Section 9, Protracted, All, 640.00 acres; Section 10, Protracted, All, 640.00 acres; This Tract (85) contains 1,625.06 acres, more or less.

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
72	393573	4/1/2018	3/31/2026	Cade 75% / Donkel 25%	0.00%	16.67%	83.33%	4,390.52	Tract 72 T. 009N, R. 026E, Umiat Meridian, Alaska. Section 9, Protracted, All tide and submerged lands lying shoreward of the line fixed by the coordinates in Exhibit A of the Final Decree in U.S. v. Alaska, No. 84 Original, 42.15 acres; Section 15, Protracted, All tide and submerged lands lying shoreward of the line fixed by the coordinates in Exhibit A of the Final Decree in U.S. v. Alaska, No. 84 Original, 373.45 acres; Section 16, Protracted, All tide and submerged lands lying shoreward of the line fixed by the coordinates in Exhibit A of the Final Decree in U.S. v. Alaska, No. 84 Original, 567.47 acres; Section 21, Protracted, All, 640.00 acres; Section 22, Protracted, All, 640.00 acres; Section 27, Protracted, All, 640.00 acres; Section 28, Protracted, All, 640.00 acres; Section 33, Unsurveyed, All tide and submerged lands, excluding PLO 2214, 255.11 acres; Section 34, Unsurveyed, All tide and submerged lands, excluding PLO 2214, 592.34 acres; This Tract (BS0072) contains 4,390.52 acres, more or less

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
				Cade 75% / Donkel					
87	393575	4/1/2018	3/31/2026	25%	0.00%	16.67%	83.33%	1,920.00	Tract 87 T. 010N, R. 024E, Umiat Meridian, Alaska. Section 13, Protracted, All, 640.00 acres; Section 14, Protracted, All, 640.00 acres; Section 23, Protracted, N1/2, 320.00 acres; Section 24, Protracted, N1/2, 320.00 acres; This Tract (BS0087) contains 1,920.00 acres, more or less
				Cade 75% / Donkel					
88	393576	4/1/2018	3/31/2026	25%	0.00%	16.67%	83.33%	911.6	Tract 88 T. 010N, R. 024E, Umiat Meridian, Alaska. Section 15, Protracted, N1/2, S1/2 excluding oil and gas lease ADL 312866, 452.75 acres; Section 16, Protracted, N1/2, S1/2 excluding oil and gas lease ADL 312866, 408.92 acres; Section 22, Protracted, E1/2E1/2 excluding oil and gas leases ADL 312866 and ADL 343109, 49.93 acres; This Tract (BS0088) contains 911.60 acres, more or less

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
				Cade 75% / Donkel					
86	393889	7/1/2020	6/30/2028	25%	0.00%	12.50%	87.50%	2,150.16	Tract 86 T. 010N., R. 024E., Umiat Meridian, Alaska. Section 5, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 411.29 acres; Section 6, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 486.87 acres; Section 7, Protracted, All tide and submerged lands, 612.00 acres; Section 8, Protracted, All tide and submerged lands, 640.00 acres; This Tract (BS0086) contains 2,150.16 acres, more or less.
				Cade 75% / Donkel					
89	393890	7/1/2020	6/30/2028	25%	0.00%	12.50%	87.50%	773.63	Tract 89 T. 010N., R. 024E., Umiat Meridian, Alaska. Section 17, Protracted, All tide and submerged lands excluding oil and gas lease ADL 312866, 399.23 acres;

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORR:	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									Section 18, Protracted, All tide and submerged lands excluding oil and gas lease ADL 312866, 374.40 acres; This Tract (BS0089) contains 773.63 acres, more or less.
				Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	1,321.26	Tract 104 T. 010N., R. 022E., Umiat Meridian, Alaska. Section 1, Protracted, All tide and submerged lands, 640.00 acres; Section 2, Protracted, All tide and submerged lands, 640.00 acres; T. 010N., R. 022E., Tract A, Umiat Meridian, Alaska. Section 11, Protracted, N1/2N1/2 excluding oil and gas leases ADL 312862 and ADL 377017, 17.78 acres; Section 12, Protracted, N1/2N1/2 excluding oil and gas lease ADL 312862, 23.48 acres; This Tract (BS0104) contains 1,321.26 acres, more or less.

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
				Cade 75% / Donkel 25%					
105	393892	7/1/2020	6/30/2028		0.00%	12.50%	87.50%	1,300.29	Tract 105 T. 010N., R. 022E., Umiat Meridian, Alaska. Section 3, Protracted, All tide and submerged lands, 640.00 acres; Section 4, Protracted, All tide and submerged lands, 640.00 acres; T. 010N., R. 022E., Tract A, Umiat Meridian, Alaska. Section 9, Unsurveyed, N1/2N1/2 excluding oil and gas lease ADL 377017, 7.75 acres; Section 10, Unsurveyed, N1/2N1/2 excluding oil and gas lease ADL 377017, 12.54 acres; This Tract (BS0105) contains 1,300.29 acres, more or less.
				Cade 75% / Donkel 25%					
117	393893	7/1/2020	6/30/2028		0.00%	12.50%	87.50%	1,413.10	Tract 117 T. 010N., R. 021E., Umiat Meridian, Alaska. Section 1, Protracted, All tide and submerged lands, excluding oil and gas leases ADL 377016 and ADL 389728, 636.21 acres;

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 2, Protracted, All tide and submerged lands, excluding oil and gas lease ADL 389728, 634.96 acres;</p> <p>Section 11, Protracted, All tide and submerged lands, excluding oil and gas lease ADL 389728, 141.93 acres;</p> <p>This Tract {850117} contains 1,413.10 acres, more or less,</p>
				Cade 75% / Donkel					
129	393894	7/1/2020	6/30/2028	25%	0.00%	12.50%	87.50%	2,527.84	<p>Tract 129</p> <p>T. 011N., R. 021E., Umiat Meridian, Alaska.</p> <p>Section 23, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 70.12 acres;</p> <p>Section 24, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 2.35 acres;</p> <p>Section 25, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 581.89 acres;</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 26, Protracted, All tide and submerged land shoreward of the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 593.48 acres;</p> <p>Section 35, Protracted, All, 640.00 acres;</p> <p>Section 36, Protracted, All, 640.00 acres;</p> <p>This Tract (B50129) contains 2,527.84 acres, more or less.</p>
				Cade 75% / Dunkel					
102	392127	1/1/2013	12/31/2022	25%	0.00%	12.50%	87.50%	1,431.02	<p>Tract 102</p> <p>T. 011N., R. 023E., Umiat Meridian, Alaska.</p> <p>Section 27, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 3.90 acres;</p> <p>Section 28, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 162.94 acres;</p> <p>Section 33, Protracted, All, 640.00 acres;</p> <p>Section 34, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 520.10 acres;</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									Section 35, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 104.08 acres; This Tract (102) contains 1,431.02 acres, more or less.
103	392128	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	2,047.61	Tract 103 T. 011N., R. 023E., Umiat Meridian, Alaska.
									Section 29, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 364.22 acres;
									Section 30, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 436.39 acres; Section 31, Protracted, All, 607.00 acres; Section 32, Protracted, All, 640.00 acres; This Tract (103) contains 2,047.61 acres, more or less.
113	392132	1/1/2013	12/31/2022	Cade 75% / Donkel 25%	0.00%	12.50%	87.50%	2,151.93	Tract 113 T. 011N., R. 022E., Umiat Meridian, Alaska.

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									<p>Section 25, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 452.95 acres;</p> <p>Section 26, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 418.98 acres;</p> <p>Section 35, Protracted, All, 640.00 acres;</p> <p>Section 36, Protracted, All, 640.00 acres;</p> <p>This Tract (113) contains 2,151.93 acres, more or less.</p>
				Cade 75% / Donkel					
114	392133	1/1/2013	12/31/2022	25%	0.00%	12.50%	87.50%	2,378.83	<p>Tract 114</p> <p>T. 011N., R. 022E., Umiat Meridian, Alaska.</p> <p>Section 27, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 522.46 acres;</p> <p>Section 28, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 576.37 acres;</p> <p>Section 33, Protracted, All, 640.00 acres;</p> <p>Section 34, Protracted, All, 640.00 acres;</p>

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									This Tract (114) contains 2,378.83 acres, more or less.
				Cade 75% / Donkel 25%					
115	392134	1/1/2013	12/31/2022		0.00%	12.50%	87.50%	2,556.45	Tract 115 T. 011N., R. 022E., Umiat Meridian, Alaska. Section 19, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 43.64 acres; Section 20, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 21.92 acres; Section 29, Protracted, All tide and submerged land shoreward of or located within the line fixed by coordinates found in Exhibit A of the final decree in U.S. v. Alaska, No. 84 Original, 639.89 acres; Section 30, Protracted, All, 604.00 acres; Section 31, Protracted, All, 607.00 acres; Section 32, Protracted, All, 640.00 acres; This Tract (115) contains 2,556.45 acres, more or less.
				Cade 75% / Donkel 25%					
106	393577	4/1/2018	3/31/2026		0.00%	16.67%	83.33%	1,252.00	Tract 106

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									T. 010N, R. 022E, Umiat Meridian, Alaska.
									Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, N1/2, S1/2 excluding oil and gas lease ADL 377016, 608.36 acres; Section 7, Protracted, N1/2N1/2 excluding oil and gas lease 377016, 0.24 acres;
									Section 8, Protracted, N1/2N1/2 excluding oil and gas leases ADL 377016 and ADL 377017, 3.40 acres;
									This Tract (BS0106) contains 1,252.00 acres, more or less
84	Open							745.62	Tract BS2006-084 T. 10 N., R. 24 E., Umiat Meridian, Alaska. Section 11, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates found in Exhibit A of the Final Decree in U.S. v. Alaska, No. 84 Original, 522.77 acres; Section 12, Protracted, All tide and submerged lands shoreward of the line fixed by coordinates found in Exhibit A of the Final Decree in U.S. v. Alaska, No. 84 Original, 222.85 acres; This Tract (BS2006-084) contains 745.62 acres, more or less.
93	Open							165.44	TRACT BS2002-093 T. 10 N., R. 23 E., UMIAT MERIDIAN, ALASKA SECTION 2, UNSURVEYED, ALL, EXCLUDING STATE OF ALASKA OIL AND GAS

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description
									LEASE ADL 388427, 165.44 ACRES; THIS TRACT CONTAINS 165.44 ACRES, MORE OR LESS.
94	Open							1373.25	Tract 94 T. 010N., R. 023E., Umiat Meridian, Alaska. Section 3, Protracted, All, 640.00 acres; Section 4, Protracted, All, 640.00 acres; Section 9, Protracted, N1/2N1/2 excluding oil and gas lease ADL 389730, 42.92 acres; Section 10, Protracted, N1/2N1/2 excluding oil and gas lease ADL 389730, 50.33 acres; This Tract {94} contains 1,373.25 acres, more or less.
95	Open							1313.02	Tract 95 T. 010N., R. 023E., Umiat Meridian, Alaska. Section 5, Protracted, All, 640.00 acres; Section 6, Protracted, All, 609.00 acres; Section 7, Protracted, N1/2N1/2 excluding oil and gas lease ADL 312862, 28.12 acres; Section 8, Protracted, N1/2N1/2 excluding oil and gas leases ADL 312862 and ADL 389730, 35.90 acres; This Tract {95} contains 1,313.02 acres, more or less.
96	Open							2560	Tract 96 Meridian: U Township: 010N Range: 023E Sec tion: 13 Section Acres: 640 Meridian: U Township: 010N Range: 023E Sec tion: 14 Section Acres: 640

Greater Point Thomson Unit 10/17/2022

Tract Number	ADL Lease No.	Effective Date	Expiration Date	Working Interest Owners	Existing ORRI	State of Alaska Royalty	Net Revenue Interest	Acreage	Legal Description			
									Meridian: U Township: 010N	Range: 023E	Sec	
									tion: 23 Section Acres: 640			
									Meridian: U Township: 010N	Range: 023E	Sec	
									tion: 24 Section Acres: 640			
Donkel/Cade					Sub Total Acres		52,632.86					
Open Acreage					Sub Total Acres		6157.33					
					Total Acres		58,790.19					

2. Greater Point Thomson Unit *Proposed* Exhibit B

Proposed Unit Lease Key
 Yellow- Donkel/ Cade Leases
 Gray- Bachner/Forsgren Lease
 White- Open Lease Tracts

Point Thomson Unit

Legend:
 Proposed Unit Outline
 AK Lease Tract Outline
 Township Line
 Section Line
 Well Bottom Hole Location

Scale: Two Miles

3. Greater Point Thomson Unit Exhibit G, *Proposed* Plan of Exploration

**Greater Point Thomson Unit
5-Year Plan of Exploration**

Over the previous nine-plus years, working interest owners Daniel K. Donkel and Samuel H. Cade (Donkel/Cade) have worked diligently to assemble a large, contiguous and prospective exploration/delineation block of eastern North Slope onshore and offshore acreage. The goal has always been to build the necessary geological and geophysical database and interpretations to bring in another company or companies to acquire an interest in the Greater Point Thomson Unit (GPTU) leases, assume the role of Unit Operator and share the exploration risk and cost associated with advancing the understanding of the resource potential of the GPTU leases. Donkel/Cade had made solid progress toward that objective prior to the onset of the COVID-19 pandemic in early 2020 and the resulting collapse in oil prices. Oil prices have rebounded and oil and gas projects on the North Slope remain attractive from the standpoint of geologic potential and oil and gas price projections. The fiscal assumptions that are expected to prevail in the coming decade are encouraging. However, the political and social challenges facing the oil and gas industry in the Arctic, and the challenges posed by the continuing international economic uncertainty have impacted Donkel/Cade's ability to bring another company to this project in a number of ways: (1) COVID-19 still makes marketing the project more challenging as most, if not all, meetings and negotiations have to be held virtually, (2) the timing of execution of the project is uncertain due to logistical and seasonal restrictions to operations, and, (3) until very recently, the low oil price suppressed the cash flow available to prospective investors for new projects and dampened management's appetite for new North Slope exploration/delineation projects.

In addition, many major lending institutions have stated that they are no longer financing arctic oil and gas projects. This has further complicated the ability to find investor partners and risk capital for this project.

Donkel/Cade therefore request that the Greater Point Thomson Unit initial Unit Plan of Exploration (POE) be approved for 5 years to allow them the time necessary to identify another company to acquire an interest in the GPTU leases. The 5-year plan will allow time for the new partner(s) to assume the role of Unit Operator, develop additional in-house information regarding the hydrocarbon potential of the GPTU leases, evaluate the economic issues impacting any future development, and prepare a comprehensive Plan of Development based on the additional

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required geologic and engineering information that will be generated from the evaluation, drilling and testing described in this POE.

Annual progress reports will be submitted to the Division.

Several known oil and gas discoveries have been made on the unit leases (Stinson and Challenge Island) as well as immediately adjacent to the unit leases (Flaxman Island (Alaska A-1), Point Thomson sands and Sourdough). Additional potential hydrocarbon accumulations have been identified on the unit leases (See Geological, Geophysical and Engineering Report submitted confidentially with this Application). The known promising delineation targets on the unit leases (Stinson, Point Thomson, Challenge Island, and Flaxman Island) that extend from known discoveries adjacent to the unit leases into the unit leases anchor the proposed exploration/delineation program. The large contiguous block of leases and the 5-year plan are necessary to attract investors and allow for a flexible delineation and exploration program.

The fact that certain Point Thomson Unit wells adjacent to the unit area remain confidential has hampered our efforts to complete a full geologic assessment of that area. However, the Division has access to this data and is therefore aware of the well results.

The proposal by Qilak LNG Inc. to export LNG by sea from the Point Thomson Unit has renewed interest in the eastern North Slope area in the hopes of finding additional gas supply sources for that project. In addition, recent announcements by the Alaska Gas Development Corporation (AGDC) have been encouraging concerning development and sale of North Slope gas reserves.

Donkel Oil and Gas LLC (Donkel Oil) is appointed as unit operator and will manage the activities for the Greater Point Thomson Unit described below.

Donkel/Cade have adopted a three-prong approach to developing the GPTU leases: (1) Sell 100% of the working interest to a competent qualified buyer who will in turn take over operations, (2) bring in partners and jointly develop the leases, or, (3) develop the leases on their own. Time will tell which approach is successful.

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**Greater Point Thomson Unit 5-Year Plan of Exploration
Yearly Milestones**

1. During calendar year 2023, the Unit Operator will initiate the following operations:

- Donkel Oil proposes to identify outstanding data needs or issues of particular relevance to state and federal regulatory agencies and establish a schedule and project plan for addressing topic(s). And, develop a schedule and project plan for completing outstanding data requirements.
- Initiate a Data Gap and Alternatives Analysis to determine what additional studies are required to advance exploration activities at the proposed Unit. Assemble a comprehensive inventory of recently completed and relevant studies; summarize preliminary project planning and engineering of alternatives including identification of available drilling rigs and offshore drilling structures, and identify outstanding datasets to satisfy exploration drilling permitting requirements.
- Engage partners and, when successful, begin to negotiate commercial arrangements with a partner(s) to share the exploration risks and costs associated with the POE.
- Identify a new Unit Operator and, when successful, initiate the Department of Natural Resources regulatory review process required for approval of a new Unit Operator.

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- **Biostratigraphic/Palynological Study of Key Wells:** Donkel Oil is currently in the process of seeking proposals for a biostratigraphy and palynological study of key wells in the proposed Greater Point Thomson Unit. The study, when finalized, will focus on the intervals within the Tertiary section where pay sands has been tested in Alaska State A-1 and Stinson-1 wells to better date this interval to assist in a seismic stratigraphic/ sequence stratigraphy study in the proposed unit to identify other potential pay zones.
- **Petrophysical Evaluation of Key Wells:** Donkel Oil is currently seeking bids for petrophysical evaluation of seven key wells in the immediate area of the proposed Greater Point Thomson Unit. Key wells to be evaluated are: PTU-15 or 17, PTU-1, Stinson-1, AK State A-1, Alaska Island-1, Alaska State F-1, and Alaska State D-1. Along with the evaluation of the pay zones, volumetric fraction analysis will also be completed to assist with AVO and rock properties modeling.
- **2D Seismic Reprocessing and AVO Inversion:** Donkel Oil is currently reprocessing 51-line miles from seven vintage 2D lines in the Eastern drilling area of the proposed Greater Point Thomson Unit. Post stack as well as pre-stack time processing is nearly completed. AVO rock properties modeling will also be completed for Alaska State A-1 and Stinson-1 and tied to the seismic lines. A pre-stack inversion test will be completed on line HW83-35 to try and predict lithologies away from the well control.
- **Evaluation of Further Seismic Data for Licensing:** Donkel Oil is currently evaluating what other seismic data is available for licensing in the immediate vicinity of the proposed Greater Point Thomson unit. WesternGeco has a large amount of vintage 2D data and one 3D survey in the area available for licensing. Vintage lines with field tapes would be of particular interest since most of the 1970's data will require reprocessing with modern processing technology to be interpretable.
- Another potential source of seismic data is the Hilcorp/ Exxon group in the Point Thomson Unit. Hilcorp has expressed interest in licensing some 2D lines within the PTU, but not 3D data. Donkel Oil will continue to negotiate with the PTU data owners to access this data.

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- Work with potential drilling contractors and service providers to scope out possible drilling options.
- Work with Qilak LNG Inc. and AGDC to understand their needs for additional gas supplies for the projects.

2. During calendar year 2024, the Unit Operator will initiate the following operations:

- Initiate exploration phase project scoping with the State and establish roles and responsibilities for co-managing the exploration and delineation drilling phase permitting process.
- Update the Greater Point Thomson exploration and development schedule and develop a capital budget estimate in line with the outcomes of the Data Gap & Alternatives analysis.
- Work with drilling contractor(s) to finalize drilling rig options and design subsurface well design and layout to optimize the drilling program.
- Continue to work with Qilak LNG Inc. and AGDC to understand their project gas needs.
- **Preliminary 3D Survey Planning and Design:** Donkel Oil is in the preliminary stages of designing and planning a proprietary 3-D survey over the proposed Greater Point Thomson Unit. The tentative design is for a 200 square mile transition zone survey that would be acquired during the open-water summer season using node technology. Permitting for such a survey is estimated to take a year minimum to complete. Acquisition and processing of a survey of this size would take at least another year to complete. Detailed survey planning would only commence once Donkel Oil has secured a funding/operating partner.

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- **Step-Out Drilling Planning:** Donkel Oil is in the preliminary stages of planning for drilling step out wells to the Challenge Island-1, Alaska Island-1, Stinson-1 and Alaska State A-1 wells discoveries. Detailed planning for any drilling would only commence once Donkel Oil has secured a funding/operating partner. Initial focus will be on the Tract79 and Tract 80 area to secure production from the oil rim of the Point Thomson reservoir.
- **Economic Analysis:** Donkel Oil will initiate an economic analysis of delineation/development options for the east Point Thomson prospect (Tracts 79 and 80) as well as the Stinson prospect. Facility sharing options with the Point Thomson unit facilities will be fully explored.
- Integrate new interpretations (amplitude, structure, interval) with modeling studies to better understand reservoir distribution and quality

3. During calendar year 2025, the Unit Operator will initiate the following operations:

- Commence initial exploration phase drilling planning and permitting for the 2025 -26 drilling season. Initial focus will be on the Tract79 and Tract 80 area to secure production from the oil rim of the Point Thomson reservoir.
- Plan to complete exploration well #1 prior to year-end 2026 and, assuming the success of that exploration well and seasonal/environmental/funding constraints, a sidetrack well.

4. During calendar year 2026, the Unit Operator will initiate the following operations:

- Commence initial exploration phase drilling planning and permitting for the 2026-27 drilling season.
- Plan to complete exploration well #2 prior to year-end 2027 and, assuming the success of that exploration well and seasonal/environmental/funding constraints, a sidetrack well.

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- If the first exploration well is successful and it confirms economic oil reserves on Tract 79 and 80, then immediately proceed to implement plans to drill additional wells, install production facilities and pipelines and produce oil as soon as possible.

5. By year-end calendar year 2027, the Unit Operator will initiate the following operations:

- After evaluating the results of the well(s) completed during the 2025, 2026 and 2027 drilling seasons, the Unit Operator will submit either a further Plan of Exploration for the Greater Point Thomson Unit, or a Plan of Development for the Unit, or both. Such Plan(s) will be submitted no later than October 30, 2027.

11/8/2022

END